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FISCAL IMPACT STATEMENT

LS 6358

BILL NUMBER: HB 1691

NOTE PREPARED: Dec 14, 2006

BILL AMENDED:

SUBJECT: Boat Excise Tax.

FIRST AUTHOR: Rep. Cheney

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill provides for the refund of an apportioned part of the boat excise tax if the boat is sold or destroyed during the boating year and the refund amount exceeds \$25.

Effective Date: July 1, 2007; January 1, 2008.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The specific impact of the bill is indeterminable and will depend on the number and class of boats that are sold or destroyed during the boating year and the number of months that the boats were operated before sold or destroyed for which excise tax refunds are claimed.

Under current statute, IC 6-6-11-17 provides that an owner who sells a boat may receive a credit on taxes on another boat or on taxes for another boat in the subsequent year. However, the owner may not receive a cash refund.

The bill provides that the owner may receive a cash refund up to 90% of the boat's value if the refund exceeds \$25. The bill also provides that if the boat has been destroyed, the owner may receive a refund if the refund exceeds \$25. These provisions apply only to the boat excise tax for a boating year that begins after December 31, 2007.

In CY 2005, 215,833 boats paid watercraft excise taxes in the amount of \$8.6 M, or an average of \$40 per boat.

Boat excise tax money is distributed among the funds of the taxing units of a county in the same manner and at the same time that property taxes are distributed.

State Agencies Affected:

Local Agencies Affected: Taxing units.

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